Message Text

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INFO OCT-01 EUR-12 IO-14 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EB-08 COME-00 TRSE-00 FEA-01 DHA-05 NEA-10 /118 W

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R 121657Z SEP 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8177

INFO AMEMBASSY PRETORIA

AMEMBASSY GABORONE

AMEMBASSY LILONGWE

AMEMBASSY LUSAKA

AMEMBASSY MAPUTO

AMEMBASSY DAR ES SALAAM

AMEMBASSY KINSHASA

AMEMBASSY LAGOS

USMISSION USUN NEW YORK

UNCLAS SECTION 01 OF 02 LONDON 15175

CORRECTED COPY (LINES 18 AND 39 ADDED TO TEXT)

E. O. LL652:NA

SUBJECT: SOUTH AFRICA: ARTICLE BY DAVID MARTIN

- L. THE FOLLOWING ARTICLE BY DAVID MARTIN, DATELINED LUSAKA, APPEARED UNDER HEADLINE OF "US THREATENS SOUTH AFRICA OIL SUPPLIES" IN THE OBSERVER'S SEPTEMBER LL. EDITION.
- 2. "THE UNITED STATES HAS TOLD SOUTH AFRICA THAT IT FACES THE RISK OF INTERNATIONAL OIL SANCTIONS IF PRETORIA UNDERMINES THE ANGLO-AMERICAN PROPOSALS FOR A RHODESIAN SETTLEMENT BY HELPING RHODESIA'S WHITE MINORITY REGIME TO OPPOSE THEM. UNCLASSIFIED

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THIS CAREFULLY PHRASED WARNING WAS DELIVERED IN LONDON IN THE MIDDLE OF LAST MONTH TO SOUTH AFRICAN MINISTER OF FOREIGN AFFAIRS, MR. PIK BOTHA, BY THE US SECRETARY OF STATE, MR. CYRUS VANCE, SAY AUTHORITATIVE SOURCES HERE AND IN PRETORIA.

THE SOURCES SAY THAT MR. VANCE TOLD MR BOTHA THAT IF THE ANGLO-AMERICAN PROPOSALS WERE NOT ACCEPTED,

INCREASED SANCTIONS AGAINST RHODESIA TO STOP OIL SUPPLIES WOULD BECOME NECESSARY. THESE WOULD BE EXTENDED TO INCLUDE SOUTH AFRICA, IF SHE THEN CONTINUED TO SUPPORT MR. IAN SMITH.

MR. BOTHA HAS INDIRECTLY CONFIRMED THIS WARNING SINCE HE RETURNED HOME. ADDRESSING A NATIONAL PARTY MEETING IN BLOEMFONTEIN, HE ACCUSED BRITAIN AND THE US OF TRYING TO ELIMINATE SOUTH AFRICA AND WARNED HIS AUDIENCE THEY WOULD HAVE TO FACE SANCTIONS AND OTHER MEASURES.

MY SOURCES SAY THAT HE WAS MORE SPECIFIC, WHEN HE SPOKE AT A CLOSED PARTY MEETING ON WEDNESDAY NIGHT. HE SAID THE THREAT OF ECONOMIC AND MILITARY SANCTIONS WAS BEING USED TO BLACKMAIL SOUTH AFRICA. ONE HINT OF WHAT THE US MAY HAVE IN MIND WAS GIVEN IN WASHINGTON LAST MONTH WHEN PRESIDENT CARTER MET TANZANIAN PRESIDENT JULIUS NYERERE, CHAIRMAN OF THE AFRICAN 'FRONT LINE' STATES, THE MAIN SUPPORTERS OF THE RHODESIAN GUERRILLAS.

DIPLOMATIC SOURCES SAY THAT PRESIDENT CARTER SPECIFICALLY MENTIONED THE POSSIBILITY OF OIL SANCTIONS AGAINST SOUTH AFRICA AND ADDED THAT THE US HAD CONSIDERABLE INFLUENCE WITH THE MAJOR OIL COMPANIES WHICH ARE SUPPLYING RHODESIA THROUGH SOUTH AFRICA. THIS WAS A FORM OF POLITICAL TERRORISM WHICH WAS APPLIED AGAINST SMALLER NATIONS LIKE SOUTH AFRICA UNCLASSIFIED

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AND ISRAEL WHO DID NOT BELONG TO A POWER BLOC, HE SAID. SOURCES CLOSE TO ZAMBIAN PRESIDENT KENNETH KAUNDA ALSO SAY THAT UNITED STATES OFFICIALS HAVE MENTIONED TO HIM IN BROAD TERMS THE POSSIBILITY OF SELECTIVE SANCTIONS AGAINST SOUTH AFRICA AND HAVE SAID THESE ARE UNDER ACTIVE CONSIDERATION.

MR BOTHA'S REFERENCE TO MILITARY SANCTIONS GIVES A FURTHER CLUE TO WHAT IS BEING SAID IN PRIVATE BETWEEN WASHINGTON AND PRETORIA. AT THE MOMENT, THE US HAS

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CORRECTED COPY (OMISSIONS OF TEXT)

A VOLUNTARY EMBARGO ON ARMS SUPPLIES TO SOUTH AFRICA AND HAS USED ITS VETO IN THE SECURITY COUNCIL TO PREVENT AFRICAN ATTEMTPS TO MAKE AN ARMS EMBARGO MANDATORY. BUT DIPLOMATIC SOURCES ARE NOW INDICATING THAT IF THE AFRICANS AGAIN PUSH FOR A MANDATORY ARMS EMBARGO IN SOME MONTHS' TIME AND THE ANGLO-AMERICAN PROPOSALS HAVE NOT BEEN ACCEPTED, THE VETO WOULD NOT BE USED. MR. BOTHA'S REFERENCE TO ARMS SANCTIONS ON WEDNESDAY NIGHT WOULD APPEAR TO INDICATE THAT THIS IS UNDERSTOOD IN PRETORIA.

THAT ALONE IS UNLIKELY TO HAVE MUCH AFFECT ON PRETORIA. A FORTNIGHT AGO, THE SOUTH AFRICAN PRIME MINISTER, MR. JOHN VORSTER, TOLD THE FOREIGN SECRETARY, DR DAVID OWEN, UNCLASSIFIED

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AND THE AMERICAN AMBASSADOR TO THE UNITED NATIONS, MR. ANDREW YOUNG THAT HE WOULD NOT EXERT PRESSURE ON MR. SMITH TO ACCEPT THE PROPOSALS. ALL HE WOULD DO WAS ACCEPT WHATEVER MR. SMITH DECIDED.

BOTH MR VOSTER AND MR SMITH (WHO HAD BEEN BRIEFED IN SALISBURY BY MR BOTHA) WERE AWARE OF THE AMERICAN THREAT AT THAT POINT. NEITHER RESPONDED FAVOURABLY TO THE PROPOSALS BUT NEITHER REJECTED THEM OUT OF HAND. HOWEVER, FURTHER PRESSURE, SOURCES BELIEVE, WILL BE NECESSARY, AND OIL IS SOUTH AFRICA'S WEAK POINT, SINCE

IT HAS NO RESOURCES OF ITS OWN. IT RELIES ON OIL FOR 26 PER CENT OF ITS ENERGY NEEDS AND CONSUMES 250,000 BARRELS A DAY. FOUR INTERNATIONAL OIL COMPANIES - MOBIL, SHELL, BP, AND CALTEX - HAVE 75 PER CENT OF THE COUNTRY'S INTERNAL MARKET, ACCORDING TO A RECENT REPORT. DETAILS ABOUT THE SOURCES OF SOUTH AFRICAN OIL SUPPLIES AND THE EXTENT OF HER STRATEGIC RESERVES ARE A CLOSELY-GUARDED SECRET. BUT THE MOST COMMON ESTIMATE PUTS THE STRATEGIC RESERVE AT THREE YEARS SUPPLY SUNK UNDERGROUND IN DISUSED COAL MINES. ABOUT 75 PER CENT OF SOUTH AFRICA'S CRUDE OIL IMPORTS IS BELIEVED TO COME FROM IRAN.

THE IRANIAN CONNECTION COULD BE USED AGAINST SOUTH AFRICA. US OFFICIALS HAVE SPECIFICALLY MENTIONED THIS POSSIBILITY TO PRESIDENT KAUNDA. LAST WEEK THE WHITE HOUSE ANNOUNCED THAT PRESIDENT CARTER WOULD MAKE A NEW ATTEMPT TO GET CONGRESSIONAL APPROVAL FOR SALE TO IRAN OF A \$1,200 MILLION AIRBORNE WARNING CONTROL SYSTEM

THE DEAL WAS REJECTED BY CONGRESS IN JULY AFTER FEARS WERE EXPRESSED THAT TOPSECRET TECHNOLOGY SUPPLIED TO IRAN COULD FALL INTO SOVIET HANDS. NOW, ACCORDING TO THE WHITE HOUSE, THE SYSTEM, AS SOLD, WOULD NOT INCLUDE UNCLASSIFIED

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ITS MOST SECRET COMPONENTS.

SOME OBSERVERS BELIEVE THAT IRAN'S GROWING DEPENDENCE ON AMERICAN MILITARY EQUIPMENT AND TECHNICIANS COULD GIVE PRESIDENT CARTER A LEVER ON THE SHAH TO CURTAIL OIL SUPPLIES TO SOUTH AFRICA, IF THAT BECAME NECESSARY. SOUTH AFRICA IS ALREADY PREPARING FOR SANCTIONS AND IS STOCKPILING LARGE QUANTITIES OF OIL AND OTHER ESSENTIAL SUPPLIES.

THE ECONOMIC AFFAIRS MINISTER, MR. CHRIS HEUNIS, TOLD A BUSINESSMEN'S GROUP ON FRIDAY NIGHT: "WE HAVE STORED A WIDE ENOUGH VARIETY OF STRATEGIC MINERALS, CRUDE OIL AND FUEL IN ALL FORMS TO SEE THE COUNTRY THROUGH ANY EVENTUALITY FOR A CONSIDERABLE PERIOD.

HE SAID THE GOVERNMENT WAS WELL AWARE OF PLANNED ACTION BY GROUPS INSIDE AND OUTSIDE SOUTH AFRICA TO BRING THE COUNTRY TO ITS KNEES, BUT IT WAS PREPARED TO WITHSTAND THE ONSLAUGHT.

COLIN LEGUM WRITES: THE US ADMINISTRATION HAS NOT YET TAKEN A DECISION TO SUPPORT A RESOLUTION CALLING FOR AN OIL EMBARGO AGAINST SOUTH AFRICA, BUT SUCH A MOVE IS NOW BEING CANVASSED IN THE SECURITY COUNCIL AND IS UNDER ACTIVE CONSIDERATION BY THE STATE DEPARTMENT.

WHAT MR VANCE IS BELIEVED TO HAVE INDICATED TO THE SOUTH AFRICANS IS THAT IT WOULD BE VERY DIFFICULT

FOR ANY OF THE WESTERN POWERS TO VETO SUCH A RESOLUTION WHICH WOULD ALMOST CERTAINLY BE INTRODUCED, IF THE SMITH REGIME WERE FINALLY TO REJECT THE ANGLO-AMERICAN PROPOSALS.

AMERICAN OFFICIAL SOURCES ADMIT THAT THIS IS AN EXTREMELY SENSITIVE ISSUE FOR THE AMERICANS, ESPECIALLY SINCE THE BRITISH GOVERNMENT IS OPPOSED TO EXTENDING SANCTIONS AGAINST RHODESIA TO INVOLVE SOUTH AFRICA AS WELL.

HOWEVER, FACED WITH A FINAL BREAKDOWN IN THE NEGOTIATIONS WITH THE SMITH REGIME, THE US AND BRITAIN UNCLASSIFIED

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WOULD LOSE CREDIBILITY IF THEY REJECTED THE ONLY COURSE LIKELY TO END WHITE RHODESIAN RESISTANCE."

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Subject: SOUTH AFRICA: ARTICLE BY DAVID MARTIN L. THE FOLLOWING ARTICLE BY DAVID MARTIN, DATELINED LUSAKA, APPEARED

UNDER HEADLINE OF \"US THREATENS
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